

REQUEST FOR QUALIFICATIONS

***FISCAL/EMPLOYER AGENTS
FOR PARTICIPANTS RECEIVING
CALIFORNIA SELF-DIRECTED SERVICES***

CALIFORNIA DEPARTMENT OF DEVELOPMENTAL SERVICES

Release Date: June 19, 2008

I. GENERAL INFORMATION

A. BACKGROUND

California self-directed services (SDS) for individuals with developmental disabilities will serve individuals who expressly elect to self-direct their supports and services. Self-direction is an approach that supports people with developmental disabilities to plan, obtain, sustain and manage services that meet their individual needs and achieve personally defined outcomes in the most inclusive community setting based upon five principles:

1. Freedom – The individual, with freely chosen family and friends, plans his or her life and customizes the purchase of needed resources and services.
2. Authority – The individual controls a certain sum of dollars in order to purchase the necessary supports.
3. Support – For the individual in arranging for resources and formal/informal personnel to assist him or her to reside in the community.
4. Responsibility – As evidenced through acceptance of a valued role in the community, and accountability for spending public dollars in ways that are life-enhancing.
5. Leadership – Through recognition of the important leadership role that self-advocates must hold in SDS.

The California Developmental Disabilities Services Act (Lanterman Act), Welfare and Institutions Code §4500 et. seq., established the community-based regional center service delivery system for individuals with developmental disabilities. The Lanterman Act was amended in 2005 to add §4685.7 to authorize the SDS program, contingent upon approval of a 1915(c) Home and Community-Based Services (HCBS) Waiver by the Centers for Medicare and Medicaid Services (CMS).

An application for the HCBS Waiver is currently under review by CMS. Subject to approval of the HCBS Waiver, the California Department of Developmental Services (DDS) will implement SDS in Budget Year 2008-2009. The SDS program will serve 164 participants in the first year, increasing to 3,081 in the third year. The SDS program will be implemented statewide through the 21 community-based nonprofit corporations (regional centers) under contract with DDS.

The goal of the SDS program is to support individuals with developmental disabilities and their families (when appropriate) to exercise choice and control over needed services and supports and thereby their lives. The SDS program offers an extensive array of services and supports that are intended to enhance community integration, personal empowerment and the achievement of positive outcomes for each participant. It is a requirement under the SDS program that participants have an individually selected Financial Management Service (FMS) provider to assist them in meeting their responsibilities under the Employer and Budget Authorities afforded by the SDS program. There are three categories of FMS providers: Fiscal/Employer Agents (F/EA)¹ operating under §3504 of the IRS Code and Revenue Procedure 70-6 and Proposed Notice 2003-70, as applicable, Agency with Choice (AWC), and designated unpaid FMS providers.

OVERVIEW

The purpose of this supplement is to provide a guide for F/EA organizations who wish to be certified by DDS as qualified to provide FMS to participants in SDS program for individuals with developmental disabilities. To become an FMS provider, organizations and individuals must first obtain an Affidavit of Certification from DDS and then be vendored by regional centers in accordance with California Code of Regulations, Title 17, §54300. Certification is

¹ Once the F/EA becomes certified and is vendored with the regional center they will become a Vendor F/EA.

verification by DDS that FMS providers meet the standards and qualifications to provide FMS support to SDS program participants. **Certification by DDS as evidenced by an Affidavit of Certification is a requirement for vendorization but does not guarantee that an organization or individual will be vendored by a regional center.**

B. PURPOSE OF REQUEST FOR QUALIFICATIONS

The purpose of this request for qualifications (RFQ) is to identify F/EA's operating under §3504 of the IRS Code and Revenue Procedure 70-6 and Proposed Notice 2003-70, as applicable, interested in becoming certified by DDS. The Affidavit of Certification must be obtained prior to an organization's applying for vendorization. The materials submitted to meet the requirements for certification will be binding upon certification and will be used for purposes of regional center vendorization. To be certified, the organization must meet all standards and qualifications set forth in this RFQ. This application constitutes the description of the service and supports provided by the F/EA, typically referred to as the program design, and will include the rate or fee schedule that will be charged by the F/EA.

C. INVITATION TO SUBMIT AN APPLICATION FOR CERTIFICATION

DDS invites applicants interested in being certified to become a Fiscal/Employer Agent (F/EA) to submit an application as set forth in this Request For Qualifications (RFQ). Applicant is defined as an individual who is the sole proprietor, Executive Director, or person serving in like capacity within the organization. This RFQ is for the provision of F/EA services in all areas of the State for individuals with developmental disabilities who have been determined by DDS to be eligible to receive SDS. Only certified F/EA's will be eligible to become vendored by a regional center.

D. LIBRARY/RESOURCES AVAILABLE TO APPLICANT

Relevant material related to this RFQ, including the HCBS Waiver, will be posted at the following DDS address: www.dds.ca.gov/SDS and www.dds.ca.gov.

E. RFQ COORDINATOR

Requests for copies of the RFQ and written questions or inquiries must be directed to the RFQ Coordinator listed below:

Stella Bertrand
Department of Developmental Services
1600 9th Street, MS 3-13
Sacramento, CA 95814
(916) 654-3696
FAX (916) 654-2192
stella.bertrand@dds.ca.gov

This RFQ is available in electronic form at www.dds.ca.gov/SDS/RFQ.cfm, in PDF format or in printed form by submitting a written request to the RFQ Coordinator.

F. APPLICANT INQUIRIES

DDS will consider only written inquiries regarding RFQ requirements or application requirements before the date specified in the Schedule of Events. To be considered, written inquiries and requests for clarification of the content of this RFQ must be received at the above address or via the above fax number or email by the date specified in the Schedule of Events. Any and all questions directed to the RFQ Coordinator will be deemed to require an official response and a copy of all questions and answers will be posted to the following web

address: www.dds.ca.gov/SDS/RFQ.cfm by the date specified in the Schedule of Events. Similar questions will be paraphrased and a single answer provided.

Action taken as a result of verbal discussion shall not be binding on DDS. Only written communication and clarification from the RFQ will be considered binding.

G. SCHEDULE OF EVENTS

DDS reserves the right to deviate from this Schedule of Events.

| Events | Tentative Schedule |
|--|---------------------------|
| Release of RFQ | June 19 |
| Deadline for Receipt of Written Questions | June 27 |
| Response to Written Questions | July 7 |
| Deadline for Receipt of Requests for Certification | July 11 |
| Evaluation of Requests for Certification | July 31 |
| Notification of Results of Evaluation | July 31 |

H. RFQ ADDENDA

In the event it becomes necessary to revise any portion of this RFQ for any reason, DDS shall distribute addenda supplements, and/or amendments to all potential requestors known to have received the RFQ. Additionally, all such supplements shall be posted at the following web address: www.dds.ca.gov/SDS/RFQ.cfm.

II. APPLICANT QUALIFICATIONS

A. OVERVIEW: PROJECT TASK

The result of this RFQ will be a list of qualified F/EA providers that will be eligible for vendorization by one or more of the 21 regional centers in accordance with California Code of Regulations, Title 17, §54300. Regional centers are responsible for providing service coordination and/or purchase of services for individuals with developmental disabilities. The array of services and supports for each individual is detailed in his or her Individual Program Plan (IPP)² developed through a person-centered planning process. Under the SDS program, the regional centers continue to provide service coordination and funding for services and supports defined in the IPP. However, the SDS model provides for the development of an individual budget (IB) that enables the participant to direct and manage his/her services and supports outside of the array of service providers that have been vendorized by the regional center. Under this model, the participants hire their own employees to provide personal supports, purchase goods, and arrange for and direct services from agencies and independent contractors. The tools that determine the kind and amount of services, supports and goods are the IPP and the IB.

B. Scope of F/EA Services

The HCBS Waiver can be located on the SDS Home Page at www.dds.ca.gov/SDS. As detailed in the HCBS Waiver Service Description (Appendix C), the FMS provider will operate as an Internal Revenue Service (IRS) authorized F/EA for participants for the purpose of processing and paying payroll and associated federal and state income tax withholding and employment taxes for workers hired directly by participants or their representatives, as

² The IPP is the plan of care.

appropriate. The FMS provider also will process and pay participant-approved invoices for goods and services authorized in the IPP and funded through the IB. The FMS provider may also furnish additional assistance, as specified by the participant and provided for in the IPP and IB, to aid the participant in managing his/her own services.

The F/EA performs the following functions as the employer agent to the participant, who is the common law employer, or his or her legal representative in accordance with Title 26, §3504 of the IRS Code and Revenue Procedure 70-6, 1970-1 C.B. 420 and as modified by IRS Proposed Notice 2003-70:

1. Develop an F/EA Policies and Procedures Manual that includes policies, procedures and internal controls for all F/EA tasks. This Manual should be updated as needed and at least annually.
2. Develop a system and written policies, procedures and internal controls for staying up-to-date with federal, state and local tax, labor, workers' compensation insurance and Medical program rules, policies and procedures.
3. Develop and implement an effective customer service system for participants and representatives including, as needed, the ability to:
 - Communicate in languages other than English, including American Sign Language and using a Telecommunication Device for the Deaf (TTY) line and/or state relay system.
 - Produce and distribute information and forms in alternate print format.
 - Receive, respond to/resolve and track the receipt of calls and grievances from participants and their representatives and service workers, including the reporting of critical financial/fraud incidences to the regional center as a mandatory reporter.
 - Provide services in accordance with the philosophy of self-direction.
4. Obtain and use a separate Federal Employer Identification Number (FEIN), used only to file the IRS Forms 2678, *Agent/Payer Authorization* and 8821, *Tax Information Authorization* and selected federal tax forms, and deposit federal income tax withholding and employment taxes on the participant's behalf.
5. Execute an IRS Form 2678, *Agent/Payer Authorization*, and receive written IRS employer agent authorization for each participant or representative it represents as employer agent.
6. Execute an IRS Form 8821, *Tax Information Authorization* with each participant or representative it represents as agent.
7. Execute a State income tax and/or unemployment insurance tax Power of Attorney, as required by state taxation agencies.
8. As defined in the Memorandum of Understanding between the vendored F/EA and the vendoring regional center, execute provider agreements on behalf of the State Medicaid Agency and maintain documentation in the FMS files.
9. Develop a system for receiving, disbursing and tracking participants' IB funds.
10. Establish a system for developing and maintaining F/EA, participant, service worker and vendor records and files (both current and archived) that is secure and Health Insurance Portability and Accountability Act (HIPAA) compliant.

11. Develop a Disaster Recovery Plan for restoring software and master files and hardware backup if management systems are disabled. The Disaster Recovery Plan shall be tested and procedures practiced at least annually.
12. Develop a service agreement between the participant or representative, as appropriate, and the F/EA. The enrollment tasks shall include, but not be limited to: preparing and distributing participant enrollment packets (that include information about the F/EA's organization and services and the role and responsibilities of the F/EA and the participant/representative); providing all required federal and state tax forms; providing any required agreements to be completed and signed by the participant/employer; and assisting the participant/representative with completion and submission of the required forms and agreements; and providing the participant/representative with orientation and training on the use of F/EA services and the role of employer.
13. Timely and accurately, perform payroll and benefits administration tasks, as applicable. This includes, but is not limited to, the timely collection and processing of service workers' time sheets and the preparation, the distribution of service workers' payroll, and the management of federal, state and local income tax withholding and employment taxes. When the participant employs a service worker, the F/EA provider prepares and distributes a service worker employment packet to the participant or his/her representative, assists them in understanding the information and forms contained in the packet and the process for completing and submitting the required federal (IRS Form W-4, US CIS Form I-9) and state (State Form W-4, state new hire form), and local employment forms. The F/EA then calculates, withholds, files and deposits all required federal, state, and local income tax withholding and employment taxes, and processes any garnishments, liens or levies on the service workers' pay prior to issuing service workers' paychecks. The F/EA issues service workers' paychecks in accordance with state Department of Labor requirements and offers service workers the option of direct deposit.
14. Process and distribute IRS Forms W-2 (and Forms W-3, if Forms W-2 are not electronically filed) for all participants' service workers.
15. Process and refund to the vendoring regional center, the employer and employee portions of over collected Medicare and Social Security taxes Federal Insurance Contributions Act (FICA) annually in accordance with the December 18, 2000 IRS Letter.
16. Process and pay vendors for invoices for approved goods and services as authorized and included in the participant's IB and IPP.
17. Process and pay service workers who are legitimate sole proprietor independent contractors.
18. Process and disburse IRS Form 1099 *Miscellaneous* to independent contractors who earn more than \$600 in a calendar year for the provision of services to a participant.
19. Assist the participant to understand his/her role and responsibilities related to being an employer and using FMS.
20. Revoke federal and state employer agent and tax information authorizations and powers of attorney, and retire federal and state tax employer identification and account numbers when a participant/representative is no longer receiving services and is not a permanent employer.

21. Perform the required federal and state tasks and execute the required revocations and forms when a participant/representative switches F/EA for any reason.
22. Submit any unclaimed funds for all entities (support service workers and vendors) to the State Treasury Department in accordance with the *California Unclaimed Property Act*.
23. Process wage information requests from federal and state agencies and other qualified entities.
24. Provide and receive information from the regional center electronically, as required.
25. Process policy applications and pay workers' compensation insurance premiums for participants and representatives from their individual budgets.
26. Prepare a report at least monthly for the participant/representative, his/her Supports Broker (SB) and the regional center, that details payments made on behalf of the participant and shows the status of the participant's IB, including payments made by the FMS provider and the regional center in an electronic and (where requested by the participant) in a paper format, as specified by the DDS.
27. Identify expenditures that are over or under budget and communicate this information to the regional center in a format and based on a time schedule specified by the regional center.
28. Ensure service workers employed by the participant meet applicable employment requirements and submit to criminal history background clearance as required/requested by the participant.
29. Assist the participant with all claims related to workers' compensation and state unemployment insurance.
30. Report incidents of financial abuse, fraud, exploitation or other incidents affecting the participant and the fiscal accountability of the service program that comes to the F/EA's attention.
31. Submit claims electronically to the regional center for participants' payroll and invoice payment expenses according to specifications and within the time frames specified by the vendoring regional center.
32. Submit claims to the regional center for payment to the FMS for services rendered.
33. Accept payment from the regional center electronically.
34. Develop a system and provide ongoing training to F/EA staff that covers federal, state and local taxes; labor and workers' compensation insurance; service program laws, policies, procedures, forms and policy changes; updates on emerging technologies and promising practices; and other information as needed.

C. Criminal History Background Clearance

As a condition of providing FMS services, the applicant shall be subject to a criminal history background check. DDS shall have the authority to approve or deny an application for certification as an FMS provider based upon the results of the applicant's criminal history

background review. The applicant shall submit to DDS the completed request for criminal history background check by completing the required DDS forms.

These forms can be obtained by contacting:

Stella Bertrand
Department of Developmental Services
1600 9th Street, MS 3-13
Sacramento, CA 95814
(916) 654-3696
FAX (916) 654-2192
stella.bertrand@dds.ca.gov

The applicant must be fingerprinted by a local law enforcement agency that conducts Live Scan fingerprinting for transmittal to the Department of Justice (DOJ). The DOJ shall conduct the criminal history background check and submit the information electronically to DDS. For those individuals who have not resided continuously in California for the past two years, the criminal history background check shall include criminal history record information maintained by the Federal Bureau of Investigation. Any expense related to the completion of the criminal history background check is the responsibility of the applicant.

DDS shall review the criminal history report and provide written notification to the applicant as to the eligibility or ineligibility to provide FMS services. Any applicant may seek an exemption to a denial of eligibility. Following the receipt of all information necessary to evaluate any exemption request, the Director of DDS shall either grant or deny the exemption. Any applicant may appeal the Director's denial of the request for exemption.

A clearance or exemption for an applicant for one participant shall be transferable as a clearance or exemption to provide services to additional participants as long as the criminal record clearance has been processed through DDS, and no subsequent arrests have been received.

III. APPLICATIONS FOR CERTIFICATION

A. GENERAL INFORMATION

This section outlines the provisions which govern determination of compliance of each applicant's response to this RFQ. DDS shall determine, at its sole discretion, whether or not the requirements have been reasonably met. Omissions of required information, fraudulent or misleading statements, and vague or non-specific responses to required information shall be grounds for rejection of the application by DDS.

B. APPLICATION SUBMISSION

Applicants should submit information and documents defined in the Application for Certification and the F/EA Check List of Required Application Documents. There is no intent to limit the documentation for the application. Applicants may include any additional information deemed pertinent. Emphasis should be on simple, straightforward and concise statements of the organization's ability to satisfy the requirements of the RFQ. Please do not mark pages as confidential as all information may become public information.

All applications must be received by the time and date indicated on the Schedule of Events. Applications received after the time and date will not be considered. It is the sole responsibility of each applicant to assure that its application is delivered at the specified

location prior to the deadline. Supplemental information may be accepted if the supplemental information is received prior to the deadline for receipt of application for certification.

Applications must be submitted in hard copy. Hard copies may be hand delivered or mailed. Each such submission shall consist of an original and seven (7) copies of the application plus one electronic copy on CD. This RFQ is for the purpose of obtaining certification to provide services as an F/EA. An F/EA cannot be certified as both an AWC and an F/EA.

Applications are to be mailed or delivered to:

Stella Bertrand
Department of Developmental Services
1600 9th Street, MS 3-13
Sacramento, Ca 95814

C. APPLICATION COST

The applicant assumes sole responsibility for any and all costs associated with the preparation and reproduction of any application submitted in response to this RFQ, and shall not include this cost or any portion thereof in the proposed rate.

D. OWNERSHIP OF APPLICATION

All applications become the property of DDS and will not be returned to the applicant. Applications will become public information.

**Department of Developmental Services
Self-Directed Services
Fiscal/Employer Agent (F/EA)
Financial Management Service (FMS)
Application for Certification**

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REQUIREMENTS FOR CERTIFICATION

Please provide information for each of the areas listed below. Failure to provide the required information will result in a denial of the application. In some cases, the California-specific Policies and Procedures Manual may satisfy the requirement. If the manual is utilized in this manner, applicants **must** include a document that tracks the application requirement to the specific section and pages in the manual.

It should be noted that California does not permit F/EA providers to delegate F/EA tasks/functions to a reporting agent or other third party entity. Additionally, as used here, "participant" means the participant or the participant's representative.

I. Checklist of Required Documents

Prior to vendorization by a regional center, a prospectively paid F/EA provider shall apply for certification from DDS by providing the information and documentation listed in the F/EA checklist of required application documents (see Addendum 1) as well as responses to the topics listed in this document.

II. Obtaining Federal and State Approval to be a Fiscal/Employer Agent

A. Internal Revenue Service Requirements:

The F/EA must have a separate Federal Employer Identification Number (FEIN) for the sole purpose of filing and depositing federal income tax withholding and employment taxes (FICA – Medicare and Social Security taxes and FUTA – federal unemployment insurance taxes) and to file selected IRS forms (i.e., file the IRS Forms 2678, *Employer Appointment of Agent*, 8821, *Tax Information Authorization*, 940, *Form, Employer's Annual Federal Unemployment (FUTA) Tax Return*, 941, *Employer's Quarterly Federal Tax Return*, 8109-B, *Federal Tax Deposit Coupon*, and W-2, *Wage and Tax Statement* and W-3, *Transmittal of Wage and Tax Statement*) on each participant-employer's behalf. As part of this application the F/EA must:

1. Describe the F/EA's system of **written policies, procedures** for obtaining an FEIN for each participant it represents and for maintaining copies of the IRS FEIN notification and the filed Form SS-4, *Application for Employer Identification Number* in each participant's file.
2. Describe the F/EA's system of **written policies and procedures** for retiring a participant's FEIN when he/she is no longer an employer (permanently) or has deceased and for documenting in a letter the date the participant deceased.
3. Describe the F/EA's **internal controls documented and in place** to monitor the FEIN process, including obtaining and retiring FEINs and making sure all relevant documentation is maintained in each participant's file.
4. Describe the F/EA's system of **written policies and procedures** for preparing, submitting and maintaining copies of a signed IRS Form 2678: *Employer/Payer Appointment of Agent* (revised effective October 2007) to the IRS and for maintaining IRS Approval Notification for each participant it represents.
5. Describe the F/EA's system of **written policies and procedures** for revoking the IRS Form 2678 for each participant it no longer represents in accordance with IRS requirements and for maintaining the relevant documentation in each participant's file.
6. Describe the F/EA's **internal controls documented and in place** to monitor the submission of the IRS Form 2678 receipt of IRS Employer Agent Authorization Notice from the IRS and documents revoking the IRS Form 2678 in accordance with IRS

requirements and the maintenance of all relevant documentation in each participant's file.

7. Describe the F/EA's **system of written policies and procedures** for filing a signed IRS Form 8821, *Tax Information Authorization* with the IRS for each participant it represents in order to communicate with the IRS on the participant's behalf regarding federal employment tax issues and to maintain copies of the form in each participant's file.
8. Describe the F/EA's **system of written policies and procedures** for renewing the IRS Form 8821 for each applicable participant at the appropriate time.
9. Describe the F/EA's system of **written policies and procedures** for revoking the IRS Form 8821 for each participant when the F/EA no longer represents the individual and to maintain the relevant documentation in participants' files.
10. Describe the F/EA's **internal controls documented and in place** to monitor its process for obtaining, renewing and revoking IRS Form 8821 and maintaining the relevant documentation in the participants' files.

B. California Requirements:

The F/EA must comply with the California state laws and regulations in order to do business in the State of California. The F/EA will be required to file a Power of Attorney as appropriate (see below) to act on behalf of the participant obtaining information about their taxpayer account, such as processing state income tax withholding and state unemployment insurance tax. As part of this application the F/EA must:

1. Provide proof, certified copy of a certificate in good standing, that you are duly registered and in good standing with the office of the California Secretary of State in order to transact business in the State of California, pursuant to all state laws and regulations. This certificate is not required if you are a sole proprietorship. If you are sole proprietorship you must obtain a business license with the county or city in which you are doing business and must provide an endorsed copy of your business license showing proof that you are licensed and in good standing with the county or city in which you are doing business.
2. Describe the F/EA **written policies and procedures** for a proposed fee schedule and a basis for the fees to be charged. See Section III, Rate for F/EA Services, for the process of submitting rate information.
3. Describe the F/EA's system of **written policies and procedures** for obtaining participants' IPP from the regional center.
4. Describe the F/EA's **internal controls documented and in place** to monitor the receipt of participants' IPP from the regional center.
5. Describe the F/EA's **system of written policies and procedures** for processing the BOE-392 *Power of Attorney*, submission to the California Board of Equalization, Franchise Tax Board and/or California Employment Development Department (EDD) to act on behalf of the participant obtaining information about their taxpayer account, such as processing state income tax withholding and state unemployment insurance tax. A copy of the BOE-392 is maintained in the participant's file.

6. Describe the F/EA's **system of written policies and procedures** for revoking the BOE-392 *Power of Attorney* for each participant it represents, when the F/EA no longer represents the individual and for maintaining the appropriate documentation in each participant's file.
7. Describe the F/EA's **internal controls documented and in place** to monitor the receipt and revocation of the BOE-392 *Power of Attorney* for each program participant it represents and for maintaining the related documentation in each participant's file.
8. Describe the F/EA's **system of written policies and procedures** for filing the EDD Form DE 1, *Registration Form for Commercial Employers*. An employer is required by law to file a registration form with EDD within fifteen days after paying over \$100 in wages for employment in a calendar quarter.
9. Describe the F/EA's **system of written policies and procedures** to monitor the retiring participants' state withholding tax account number and account for state income tax withholding purposes when they no longer are employers (permanently) and for maintaining the appropriate documentation in participants' files.
10. Describe the F/EA's **internal control documented and in place** to monitor the receipt and retirement of participants' state withholding tax account number and account for state income tax withholding purposes and for maintaining the appropriate documentation in participants' files.
11. Describe the F/EA's **system of written policies and procedures** for filing the EDD Form DE 1HW, *Registration Form for Employers of Household Service workers*, receiving an unemployment tax account number for each participant it represents, and maintaining the appropriate documentation in participants' files.
12. Describe the F/EA's **system of written policies and procedures** for retiring participants' unemployment tax account numbers and maintaining the appropriate documentation in participants' files.
13. Describe the F/EA's **internal controls documented and in place** to monitor the receipt and retirement of participants' unemployment tax account numbers and maintaining the appropriate documentation in participants' files.
- C. Medi-Cal³ Requirements:
In California, the Medi-Cal Provider Agreement form is executed by the regional center as a part of the vendorization process. For the purposes of obtaining certification, applicants are required to provide the following:
 1. A list of states with which the applicant currently has been approved to provide F/EA services and there is an executed Medi-Cal Provider Agreement.
 2. A list of states with which the applicant has previously been approved to provide F/EA services and there was an executed Medi-Cal Provider Agreement.
 3. A list of the reasons that the previously approved and executed Medi-Cal Provider Agreements were terminated.
 4. A statement certifying that the F/EA is in good standing with the states it currently provides F/EA services.

³ Medi-Cal is the California term for Medicaid
6/19/08 F/EA

5. A list of any judgments that were rendered administratively or by the courts that was based upon F/EA services provided.
6. Describe the F/EA's system of **written policies and procedures** for ensuring that all service workers hired by the participant have an executed Medi-Cal Provider Agreement on file.
7. Describe the F/EA's internal controls documented and in place to for ensuring that all service workers hired by the participant have an executed Medi-Cal Provider Agreement on file.
8. Describe the F/EA's system of written policies and procedures for obtaining participants' unique client identification (UCI) number.
9. Describe the F/EA's internal controls documented and in place to monitor the receipt of the participants' UCI number.

D. Conflict of Interest

1. F/EA certifies that personnel assigned to provide services in California are free of any conflict of interest and are not employees or board members of any of the following entities:
 - ☐ DDS
 - ☐ Regional Center; or
 - ☐ Another service provider providing services to the participant
2. F/EA certifies that personnel assigned to provide services to California are not employees or board members of the following entities: *(If the participant is receiving services from these entities):*
 - ☐ State Council on Developmental Disabilities; or
 - ☐ Protection & Advocacy, Inc.
3. Describe the policies, procedures, and internal controls the applicant/agency has for ensuring that participants are given the opportunity to select any qualified service workers, including those who work for another agency or independently.

III. Rate for F/EA Services⁴

A. Rate Submission:

As a part of the certification process applicants are required to submit a proposed rate or a fee schedule for F/EA services. The F/EA service worker's rate will be made available to the regional center and prospective participants and rates of approved applicants are published through the certification process. The actual service rate charged to the participant will be agreed upon and documented in the service agreement between the participant and the F/EA. Applicants are required to submit fiscal and program-related documentation relied upon as the basis for establishing the rate of payment as follows:

1. F/EA rates shall be based on any one or any combination of the following models that results in the most cost-effective purchase of services by the participant:
 - Hourly rates;
 - Monthly rates;

⁴ The Supports Broker will assist the participant with the negotiation of rates for all other service workers'.

- Flat rates;
 - Rates based on anticipated average monthly costs;
 - Rates based on the actual provision of services in a payment period; or
2. Rates may reflect, as appropriate to the applicable method of negotiation with the participant, any combination of the following:
 - Salaries, wages, and benefits of all staff and consultants to the F/EA providing direct service;
 - Cost of the administration services necessary to maintain the F/EA's service operation;
 - Operating expenses; and
 - Management organization costs.
 3. Costs must be reasonable as compared to costs of other similar services provided in California. A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
- B. The F/EA must describe their knowledge of requirements and plan to maintain financial records and documents that support the expenses and other data used to derive the agreed-upon rate per the requirements of all applicable federal and state agencies (tax, labor, immigration, worker's compensation and Medi-Cal/DDS program).

IV. Status of Physical Plant, Equipment, Technology and Development, Implementation and Maintenance of Systems

- A. FMS Provider Access to On-Line Systems for Budgets and Billing
1. F/EA providers will utilize a component of the San Diego Information System (SANDIS). SANDIS is a Case Management, Resource, Referral and Information system maintained at each regional center.

Through this component an F/EA provider will submit invoices for reimbursement to the regional center. This component will capture summary information for regional centers, DDS, and the federal Centers for Medicare & Medicaid Services (CMS) to monitor and audit expenditures and for payment of regional center expenditure claims. The F/EA provider must retain records at its site and make them available for audit purposes. The F/EA provider will also have the ability to: 1) Create budget category transfers of up to 10 percent of the initial budget, and 2) View budget information, including regional center payments and budget balances.

In order to access this component of SANDIS an F/EA provider will need a personal computer (PC) with access to the Internet, and the ability to download Java software updates. A dial up connection will probably be adequate but a higher speed connection such as DSL or cable is recommended.

- B. Describe the F/EA organization's necessary physical plant location, size, and equipment (including computer hardware and software) adequate to effectively operate as an F/EA provider.
1. Describe the technologies and accommodations in place to adequately and effectively operate F/EA services including those listed below.
 - ☐ 24/7 toll free number with voice mail capabilities
 - ☐ Internet web site with information regarding F/EA services
 - ☐ Internet/e-mail communication

- ☐ TTY line (accomodation for communicating with individuals with hearing impairments)
 - ☐ 24/7 fax (minimum 28.8 - standard)
 - ☐ Alternate/large print capabilities
 - ☐ Translation and interpreter services (including American Sign Lanuage and services for persons with limited English proficiency)
2. Describe the F/EA **policies and procedures** for maintaining a current operational computer database that ensures timeliness and accuracy of data entry and storage, and meets the needs of the SDS program.
 3. Describe the F/EA's **internal controls documented and in place** to monitor the maintenance of a current operational database that ensures timeliness and accuracy of data entry and storage and meets the needs of the SDS program.
 4. Describe the F/EA **policies, procedures and internal controls documented and in place** for addressing systems capabilities to expand for future growth in service volume.
 5. Describe the F/EA's disaster recovery plan for restoring software, master and electronic files and hard copy files. The plan must include a description of the hardware backup if management information systems are disabled, and the process which would allow for the continuation of budget allowance disbursements. The disaster recovery plan shall be tested and procedures practiced at lest annually. To ensure the rapid return to limited operation, a typical plan must include at a minimum the following:
 - Verification of the accuracy of software and data at return to operation.
 - A description of what would give the F/EA provider the ability to return to full capacity as soon as possible.
 - Verification of a complete backup of all non-software data sets at the end of each production day.
 - Verification that the resultant discs are removed to an external secure site as appropriate and that the backup discs are cycled on at least a weekly basis.
 - Verification that upon the installation of any software (new or upgraded), a complete backup (copy) of the software is available with the resultant tape(s) and/or discs removed to an external secure site and that the backups are retained in the grandfather, father, son scheme.
 - Verification that the server is designed to employ a method of redundancy for operational integrity and production.
 - Verification that all workstations attached to the F/EA network have sufficient processing capability to be used interchangeably, and should be able to back up one another until repair or replacement can be effected on a failed workstation.
 - Verification that the server is connected to a system which will condition incoming power to the server and provide sufficient processing time for the server to be correctly shutdown in the event of a power failure.
 - A thorough description of the change of lines and methods of communication and command in the case of a systems or power failure by level.

V. Staffing

1. Provide a copy of the F/EA organizational charts for the organization and for the F/EA function. The organization chart for the F/EA function should identify individuals and their job titles, lines of supervision, major job duties and an indication of full- or part-time participation.

2. List key F/EA management staff in place to show that the level of management staffing (Full-Time Equivalents), and staff qualifications and experience are sufficient to provide effective F/EA services. Provide job descriptions of all F/EA management staff positions and resumés of existing staff who will be working on the F/EA function for the SDS program.
 - a. Job descriptions should indicate minimum education, training, experience, special skills and other qualifications for each management position as well as specific responsibilities for F/EA operations.
 - b. Resumés should include, but not be limited to:
 - Experience with applicant,
 - Previous experience in projects of similar scope and size,
 - Where personnel have previously worked as a team on similar projects, resumé data should include responsibility and position within the team,
 - Educational background.
3. List key staff in place to show that the level of staffing (Full- or Part-Time Equivalents), and staff qualifications and experience are sufficient to provide effective F/EA services.
4. Provide job descriptions of all other existing F/EA staff positions and resumés of existing staff who will be working on the F/EA function for the SDS program.
 - a. Job descriptions should indicate minimum education, training, experience, special skills and other qualifications for each staff position as well as specific job duties for F/EA operations.
 - b. Resumés should include, but not be limited to:
 - Experience with applicant.
 - Previous experience in projects of similar scope and size.
 - Where personnel have previously worked as a team on similar projects, resumé data should include responsibility and position within the team.
 - Educational background.
5. Provide a summary of existing and anticipated staff resources for providing F/EA services in California. The summary should include job titles, indicate vacancies, and show the percentage of time or hours the position will be assigned to the California operation.
6. List the Executive Director of the F/EA or other person serving in like capacity who received a criminal history background clearance.

VI. Coordination and Communication between the F/EA and the Regional Center

1. Describe the F/EA's **written policies and procedures** for coordinating its activities and communicating effectively with the regional center.
2. Describe the F/EA's **written policies and procedures** that clearly explain the F/EA's and the regional center role and responsibilities related to the SDS program.
3. Describe the F/EA's **system of internal controls documented and in place to monitor the effectiveness** of its coordination and communication activities with regional center related to participants enrolled in the SDS program and program requirements.
4. Describe the F/EA's **system of written policies and procedures** for providing information to and receiving information from the regional center electronically, as required.

5. Describe the F/EA's **internal controls documented and in place to monitor the effectiveness** of the provision of information to and the receipt of information from the regional center electronically.

VII. Administration: Preparing and Maintaining an Automated, Comprehensive F/EA Policies and Procedures Manual and Staying Up-to-Date with Federal/State Rules/Regulations Pertaining to F/EAs and Household Employers and Employees

- A. Preparing and Maintaining an Automated, Comprehensive F/EA Policies and Procedures Manual
 1. Provide a copy of the F/EA's automated and comprehensive California-specific Policies and Procedures Manual that describes the F/EA function and all F/EA tasks, including a description of the internal controls documented and in place for ensuring the monitoring and completion of all F/EA tasks.
 2. Describe the F/EA's **written policies and procedures** for updating its F/EA Policies and Procedures Manual as needed, but at least annually.
 3. Describe the F/EA's **internal controls documented and in place** to ensure that it's F/EA Policies and Procedures Manual is updated in an accurate, complete and timely manner.
- B. Staying Up-to-Date with Federal/State Rules/Regulations Pertaining to F/EAs and Household Employers and Employees
 1. Describe the F/EA's **system of written policies and procedures** for reviewing and staying up-to-date with all IRS forms, instructions, notices, publications and rules:
 - related to the F/EA function, including the F/EA tasks
 - related to household employers and employees with regard to:
 - a. Withholding, filing and paying federal income tax withholding and employment taxes [Medicare and Social Security (FICA and FUTA)];
 - b. Managing advanced payments of federal earned income credit (EIC) on behalf of the participants it represents and their service workers;
 - c. Refunding the employer and employee portions of over collected FICA;
 - d. Processing and submitting annual Forms W-2 and W-3, as applicable (Key website: www.irs.gov).
 2. Describe the F/EA's **internal controls documented and in place to monitor** the updating of all IRS forms and instructions, notices, publications and rules related to the F/EA function, including the F/EA tasks, and in regard to household employers and employees.
 3. Describe the F/EA's **written policies and procedures** for reviewing and updating all applicable U.S. Citizenship and Immigration Services (U.S. CIS) rules, forms (i.e., U.S. CIS Form I-9, *Employment Eligibility Verification*) and instructions (Key website: www.uscis.gov).
 4. Describe the F/EA's **internal controls documented and in place** to monitor the updating of all applicable U.S. CIS rules, forms (i.e., U.S. CIS Form I-9) and instructions related to household employers and employees.
 5. Describe the F/EA's **written policies and procedures** for reviewing and updating all applicable federal Department of Labor rules, forms and instructions related to household employers and domestic service employees pertaining to Federal Fair Labor Standards/wage and hour rules (Key website: www.dol.gov).

6. Describe the F/EA's **internal controls documented and in place** to monitor the updating of all applicable federal Department of Labor rules, forms and instructions related to household employers and domestic service employees pertaining to Federal Fair Labor Standards/wage and hour rules.
7. Describe the F/EA's **written policies and procedures** for reviewing and updating all applicable EDD rules, forms and instructions applicable to household employers and domestic service employees pertaining to State of California wage and hour rules (Key website: www.edd.ca.gov).
8. Describe the F/EA's **internal controls documented and in place** to monitor the updating of all California rules, forms and instructions applicable to household employers and domestic employees pertaining to EDD wage and hour rules.
9. Describe the F/EA's **written policies and procedures** for reviewing and updating all EDD rules, forms and instructions for registering and retiring participants as employers, and for withholding, filing and paying state unemployment insurance taxes for each participant it represents in accordance with EDD rules, forms and instructions.
10. Describe the F/EA's **internal controls documented and in place** to monitor the review and updating of procedures to reflect EDD rules, forms and instructions for registering and retiring participants as employers, and for withholding, filing and paying state unemployment insurance taxes for each participant it represents in accordance with EDD rules, forms and instructions.
11. Describe the F/EA's system of **written policies and procedures** for staying up-to-date with the EDD's New Employee Registry requirements for reporting participants' new hires (Key website: www.edd.ca.gov/taxrep/txner.htm).
12. Describe the F/EA's **internal controls documented and in place** to monitor the F/EA's process for staying up-to-date with the requirements for reporting of program participants' new hires through the EDD's New Employee Registry.
13. Describe the F/EA's **system of written policies and procedures** for reviewing and updating California DIR, Division of Worker's Compensation, rules related to household employers and the employee classification code for personal care workers (California Code of Regulations, Title 8) (Key website: www.dir.ca.gov).
14. Describe the F/EA's **internal controls documented and in place** for monitoring the review and updating of California DIR Relations, Division of Worker's Compensation, rules related to household employers and the employee classification code for personal care workers (California Code of Regulations, Title 8).
15. Describe the F/EA's **system of written policies and procedures** for reviewing and updating California's Unclaimed Property law and procedures administered by the CA State Controller's Office of Unclaimed Property (Key website: <http://www.sco.ca.gov/col/ucp/index.shtml>).
16. Describe the F/EA's **internal controls documented and in place** for monitoring the review and updating of California's Unclaimed Property law and procedures administered by the State Controller's Office of Unclaimed Property.

VIII. Receipt, Disbursement and Tracking of Funds

1. Describe the F/EA's system of **written policies and procedures** for receiving and maintaining the participants' initial and updated IPP and IB from their regional center.

2. Describe the F/EA's **internal controls documented and in place** to monitor the receipt and maintenance of the participants' initial and updated IPP and IB from their regional center.
3. Does the F/EA agree to enroll with the state Medicaid Agency as a Medi-Cal provider? An executed Medi-Cal Provider Agreement is required so that the F/EA provider may receive and disburse funds.
4. Describe the F/EA's system of **written policies and procedures** for billing the regional center in accordance with their procedures.
5. Describe the F/EA's system of **written policies and procedures** regarding the following:
 - Receiving and disbursing funding;
 - Tracking and reporting funds received and disbursed;
 - Tracking and reporting advances, if applicable;
 - Ensuring that funds are only used to pay for approved services; and,
 - Maintaining the appropriate documentation in each participant's file.
6. Describe the F/EA's **internal controls documented and in place** to monitor the following:
 - Receiving and disbursing funding;
 - Tracking and reporting funds received and disbursed;
 - Tracking and reporting advances, if applicable;
 - Ensuring that funds are only used to pay for approved services; and
 - Maintaining the appropriate documentation in each program participant's file.
7. Describe the F/EA's **system of written policies and procedures and internal controls** for interfacing with the regional center computer system.

IX. Administration – Record Management Process

1. Describe the F/EA's system of **written policies and procedures** for:

Establishing and maintaining current participant, service worker and F/EA files on site in a secure and confidential manner per regional center requirements,

 - Meeting applicable⁵ Health Insurance Portability and Accountability Act of 1996 (HIPAA) and State Administrative Manual (SAM) requirements, and
 - Establishing and maintaining current participant, service worker and F/EA files for the proscribed period of time as required by applicable federal and state tax, labor, worker's compensation insurance agency, immigration, State Controller's Office of Unclaimed Property and DDS program rules and regulations.
2. Describe the F/EA's **internal controls documented and in place** to monitor the following:
 - Establishment and maintenance of current program participant, service worker and F/EA files on site in a secure and confidential manner per regional center requirements,

⁵ HIPAA establishes standards to protect the security and privacy of individually identifiable health information created, maintained, or transmitted for the purpose of providing or paying for health care. Under this regulation, it is necessary that the State establish written agreements with contractors who create, receive, maintain or transmit individually identifiable health information on behalf of the State to assure that said contractors will safeguard such information in accordance with the requirements of the 45 CFR 164.502(e), 45 CFR 164.504(e), 45 CFR 164.314(a) and SAM, Sections 4841.2 through 4841.7.

- Meeting applicable HIPAA and SAM requirements, and
 - Establishing and maintaining current participant, service worker and F/EA files for the proscribed period of time as required by applicable federal and state tax, labor, workers' compensation insurance agency, immigration, State Controller's Office of Unclaimed Property and DDS program rules and regulations.
3. Describe the F/EA's system of **written policies and procedures** for:
 - Establishing and maintaining archived participant, service worker and F/EA files in a secure and confidential manner per HIPAA and SAM requirements,
 - Meeting applicable HIPAA requirements, and
 - Establishing and maintaining archived participant, service worker and F/EA files in a secure and confidential manner for the proscribed period of time as required by applicable federal and state tax, labor, workers' compensation insurance agency and DDS program rules and regulations either on or off site.⁶
 4. Describe the F/EA's **internal controls documented and in place** to monitor the following:
 - Establishment and maintenance of archived program participant, service worker and F/EA files in a secure/ confidential manner per HIPAA and SAM requirements,
 - Meeting applicable HIPAA and SAM requirements, and
 - Establishment and maintenance of archived program participant, service worker and F/EA files in a secure and confidential manner for the proscribed period of time on or off site as required by applicable federal and state tax, labor, workers' compensation insurance agency and DDS rules and regulations.
 5. Describe the F/EA's system of **written policies and procedures** for ensuring that access to participant's confidential information will be limited to F/EA office staff, and will ensure prudent safeguards to protect unauthorized disclosure of the participant information in its possession per HIPAA and SAM requirements (*including data encryption when applicable*).
 6. Describe the F/EA's **internal controls documented and in place** to ensure that access to participant's confidential information will be limited to F/EA office staff, and will ensure prudent safeguards to protect unauthorized disclosure of the participant information in its possession per HIPAA and SAM requirements (*including data encryption when applicable*).
 7. Describe the F/EA's **system of written policies and procedures** for notifying DDS within 24 hours when it receives a request for Medi-Cal information (including Freedom of Information Act [FOIA] requests) and for receiving written permission from the regional center or DDS before granting, allowing or otherwise offering access to Medi-Cal information.
 8. Describe the F/EA's **internal controls documented and in place** to monitor the notification of DDS within 24 hours when it receives a request for Medi-Cal information (including FOIA requests) and for receiving written permission from regional center or DDS before granting, allowing or otherwise offering access to Medi-Cal information.

⁶ IRS requires that documentation be maintained for at least four years after the filing of required reports and longer if there are pending issues. The US Bureau of Citizenship and Immigration Status requires that the U.S. CIS Form I-9 be maintained for three years after the date of hire or one year after the date the employee employment is terminated, whichever is later.

9. Describe the F/EA's system of **written policies and procedures** for obtaining written consent of an individual/representative before releasing any information regarding the individual to any entity or person other than the regional center or DDS.
10. Describe the F/EA's system of **written policies and procedures** for making available participants' and employees' records for immediate review by the regional center and DDS and internal controls documented and in place to monitor the successful completion of the process.
11. Describe the F/EA's system of **written policies and procedures** for providing support for copying and invoicing documents requested through FOIA when determined to be releasable by the regional center or DDS and internal controls documented and in place to monitor the successful completion of the process.

X. Administration: Preparing and Submitting Required Reports to the Regional Centers and Participants⁷

1. Describe the F/EA's system of **written policies and procedures** for completing and distributing required reports to the participant and/or his/her representative, and the participant's SB, with a copy to the participant's regional center and/or another FMS provider, such as FMS AWC provider⁸, as appropriate. This report shall be sent electronically or in hard copy if requested,
2. Describe the F/EA's **internal controls documented and in place** to monitor the completion and distribution of required reports to the participant and/or his/her representative, and the participants SB, with a copy to the participant's regional center and/or another FMS provider, such as a FMS AWC provider, as appropriate, on a monthly basis.
3. Describe the F/EA's system of **written policies and procedures** for providing financial and program information (monthly and annual reports as specified by DDS and the regional center) and transmitting any other required data/information to the regional center and/or another FMS provider, such as FMS AWC provider, as appropriate.
4. Describe the F/EA's **internal controls documented and in place** for monitoring the submission of financial and program information and reports, to the regional center and/or another FMS provider, such as FMS AWC provider, as appropriate, as required by the regional center.
5. Describe the F/EA's system of **written policies and procedures** to demonstrate their ability to submit claims to the regional center and/or another FMS, such as FMS AWC provider, for payment for services rendered.
6. Describe the F/EA's **internal controls documented and in place** for monitoring the submission of claims to the regional center and/or another FMS, such as AWC, for payment for services rendered.

XI. Customer Service System

A. Grievance and Reporting System

⁷ Questions below reflect information that is required to be submitted to the regional center. The F/EA should note that there will be some instances where the information will need to be sent to DDS as well. The process will be defined prior to the effective date of the program.

⁸ When both an FMS AWC provider and F/EA is used by a participant the F/EA will be required to send reports and claims to the FMS AWC provider in addition to the regional center and the participant.

1. Provide a toll-free number for the F/EA functions, staffed from 8:00 a.m. to 5:00 p.m. Pacific Standard Time Monday through Friday (except for holidays), and with voice message capability for calls received after hours, or a plan for this provision. If the toll-free line has not been established at the time the application is submitted, please indicate the timeline for establishing the toll-free number.
2. Where is the customer service system located (provide the location address of the customer service system)? If you do not have a location in California, please provide a plan for establishing business in California.
3. Provide the administrative phone number that enables the regional center staff and/or its representatives to contact the F/EA staff directly or a plan for this provision.
4. Describe the F/EA's **written policies and procedures** for returning calls within 24 hours from the time the message is recorded.
5. Describe the F/EA's written policies and procedures for implementing and maintaining a system for receiving, returning, responding to and tracking calls, including grievances, from individuals and service workers during and after regular business hours, making note of any resolution that occurs. Describe the collection of the following:
 - Date and time of call;
 - Name and title of persons/entities placing and receiving the call;
 - Issue/complaint raised by caller;
 - Level/severity of the issue/grievance;
 - Corrective action taken/resolution and date (this information shall be shared with the participant); and,
 - Date and documentation of reports submitted for special incidents and mandated reports consistent with number six (6) below.
6. Describe the F/EA's system of **written policies and procedures** for acting as a mandatory reporter⁹, particularly for reporting special incidents and financial fraud and abuse according to the requirements issued by DDS and according to state law.
7. Describe the F/EA's system of **written policies and procedures** for developing and implementing corrective actions, recording them and the final outcomes in the communication, and the grievance receipt, response and tracking system.
8. Describe the F/EA's **internal controls documented and in place** for monitoring its communication and grievance receipt, response and tracking system and its mandatory reporting system.

B. Notification

1. Describe the F/EA's **system of written policies and procedures** for notifying participants and designated regional center staff in a timely manner in the event a payroll is processed and disbursed late (i.e., over five days past payday) or other incident occurs that affect the participant.

⁹ The F/EA shall report incidents of financial abuse, fraud, exploitation or other incidents affecting the participant and the fiscal accountability of the service program that comes to the F/EA's attention pursuant to §54327 of Title 17, California Code of Regulations, and California State Child Abuse Reporting Law, Penal Code §11164 et seq. and reportable incidents for adult protective services as described in Welfare and Institutions Code §15600.

2. Describe the F/EA's **internal controls documented and in place** for monitoring the notification of participants and designated regional center staff in a timely manner in the event a payroll is processed and disbursed late (i.e., over five days past payday) or other incident occurs that affect the participant.
3. Describe the F/EA's **system of written policies and procedures** for notifying a participant's regional center when F/EA staff has been made aware of repeated or intentional incorrect reporting by a participant (e.g., untimely timesheet filing or over reporting of service worker's hours) and/or any incidences of financial fraud, abuse or a participant's inability to perform the tasks required by the F/EA.
4. Describe the F/EA's **internal controls documented and in place** to monitor the notification of a participant's regional center when F/EA staff has been made aware of repeated or intentional incorrect reporting by a participant (e.g., untimely timesheet filing or over reporting of service worker's hours) and/or any incidences of financial fraud, abuse or a participant's inability to perform the tasks required by the F/EA.

C. Communications

1. Describe the F/EA's **system of written policies and procedures** for receiving information from the regional center regarding participants who enroll in and disenroll from the SDS program.
2. Describe the F/EA's **internal controls documented and in place** to monitor the receipt of information from regional center regarding participants who enroll in and disenroll from the SDS program.
3. Describe the F/EA's system of **written policies and procedures** for communicating effectively with participants in languages other than English and including American Sign Language and using a TTY line and/or state relay system, producing and distributing information and forms in alternate print.
4. Describe the F/EA's **internal controls documented and in place** to monitor communicating effectively with participants in languages other than English and including American Sign Language and using a TTY line and/or state relay system, producing and distributing information and forms in alternate print.

D. Principles of Self-Direction

1. Describe the F/EA's system of **written policies and procedures** related to effectively executing the principles of self-direction.
2. Describe the F/EA's **internal controls documented and in place** to monitor the execution of the principles of self-direction.

E. Cultural Sensitivity

1. Describe the F/EA's system of **written policies and procedures** related to staff and service workers being culturally sensitive in all business practices in order to communicate effectively with a diverse population of participants of all ages and with a variety of disabilities and chronic conditions.
2. Describe the F/EA's **internal controls documented and in place** to monitor the cultural sensitivity in all business practices in order to communicate effectively with a diverse

population of participants of all ages and with a variety of disabilities and chronic conditions.

F. Training

1. Describe the F/EA's **development and maintenance** of orientation and skills training (standard and individualized) materials on participants being employers (recruiting, hiring, training, supervising and discharging service workers) and using F/EA services. The F/EA shall provide an agenda and schedule for providing orientation and skills training to the participant.
2. Describe the F/EA's **provision** of orientation and skills training to participants on being employers (recruiting, hiring, training, supervising, and discharging service workers) and using F/EA services as defined in the Service Design submitted as part of the approved vendorization application.
3. Describe the F/EA's customer service and financial services training curricula for F/EA staff ensuring that staff is trained in the applicable training requirements as outlined in the HCBS Waiver.
4. Describe the F/EA's **internal controls documented and in place** (evaluation process) for ensuring that F/EA customer service and financial services staff are trained effectively.

G. Satisfaction

1. Describe the F/EA's **system of written policies and procedures** for surveying participant feedback, experience and satisfaction with the receipt of F/EA services and have alternate methods for collecting this information (e.g., more than just mail surveys).
2. Describe the F/EA's **internal controls documented and in place** to monitor the effectiveness of its methods of surveying participants' for feedback, their experience and satisfaction with the F/EA services they receive.

XII. Producing and Disbursing Participants' Enrollment and Service Workers' Employment Packets

A. Participant Enrollment Packet

1. Describe the F/EA's **Participant Enrollment and Service Agreement** packet ensuring that it is user-friendly and contains at a minimum the following information:
 - a. F/EA Welcome Cover Letter or Brochure as developed by the F/EA that includes information about:
 - Key F/EA staff and contact information
 - Toll free number
 - Fax number
 - Web and e-mail addresses
 - Hours of operation
 - Role and responsibilities of the F/EA
 - Role and responsibilities of the participant
 - Employment status of the service worker
 - Participant-Employer Manual
 - b. The **Participant Service Agreement, with F/EA**, shall include, but not be limited to the following:

- A statement affirming the participants knowledge of their role as an employer and agreement to fulfill the employment responsibilities;
 - The duties to be performed by the participant's employees, including the F/EA, within authorized hours, consistent with the participant's IPP;
 - A statement affirming their knowledge that only those services that have been agreed upon will be provided by the F/EA;
 - Expectations and standards for performance;
 - A statement acknowledging that no services will be provided prior to completion of the enrollment process;
 - A statement that the F/EA will only make payments on those services and supports agreed upon in the IPP;
 - The billing process and pay rate negotiated for services and supports including, but not limited to, income tax withholding payroll deductions and benefits;
 - A statement that all information submitted to the participant as employer or the F/EA provider, for purposes of billing and payment is to be accurate and complete;
 - A statement of compliance with all state and federal statutes and regulations related to providing SDS;
 - A statement affirming the participant's legal, civil and service rights and the duty of the service worker to honor these rights;
 - A statement agreeing to maintain the participant's privacy and security of confidential personal information; and
 - A statement acknowledging that this agreement will be construed and interpreted in accordance with the laws of the State of California.
- c. Participant Service Agreement Packet **check list**
- IRS Form SS-4, *Application for Federal Employer Identification Number*
 - IRS Form 2678, *Employer Appointment of Agent* and instructions
 - IRS Form 8821, *Tax Information Authorization* and instructions
 - BOE-392 *Power of Attorney*, California state income tax form to be submitted to the Board of Equalization, Franchise Tax Board and/or EDD
 - EDD *Registration Form for Household Service workers*, DE 1HW
 - EDD *Registration Form for Commercial Employers*, Form DE 1
 - EDD *Report of New Employee(s)* Form, DE 34
 - EDD *Report of Independent Contractor(s)*, Form DE 542. (You may download EDD forms from the following link www.edd.ca.gov)
 - Schedule for Receipt of Invoices and Payment of Approved Goods and Services
 - Employee Timesheet Submission and Payday Schedule
 - Employer-Employee Agreement to be signed by the participant and the service worker
 - Self-addressed stamped envelope
2. Describe the F/EA's system of **written policies and procedures** for producing and distributing the Participant Service Agreement Packets.
 3. Describe the F/EA's **internal controls documented and in place** to monitor the production and distribution of Participant Service Agreement Packets.
 4. Describe the F/EA's **system of written policies and procedures** for collecting, reviewing and processing the information contained in the Participant Service Agreement Packets.

5. Describe the F/EA's **internal controls documented and in place** to monitor the collection, review and processing of the information contained in the Participant Service Agreement Packets.

B. Service Worker Employment Packet

1. Describe the Service Worker Employment Packet ensuring that it is user-friendly. The **Service Worker Employment Packet** should contain information, forms and a service agreement. A copy of the packet should be provided. The following information must be included:
 - Service worker employment application and instructions
 - Medi-Cal provider agreement
 - Service agreement executed between the program participant or representative-employer and his/her service worker he/she employs
 - Notice and form for pre-employment background check and instructions
 - IRS Form W-4, *Employee Withholding Allowance Certificate*
 - Form to collect information needed for state new hire reporting (reporting is electronic)
 - EDD W-4 and or DE-4, *California State Income Tax Withholding*
 - California New Hire Reporting Form or form to collect required information for reporting
 - IRS Notice 797, *Possible Federal Tax Refund Due to the Earned Income Credit (EIC)* (Type at bottom "If you think you qualify to receive federal advanced earned income credit, please contact IRS and request that an IRS Form W-5 be sent to you to complete or download from the IRS website at www.irs.gov. Return the completed W-5 to your employer.")
 - U.S. CIS Form I-9, *Employment Eligibility Verification*, and instructions
 - Time sheets and instructions
 - Employee Timesheet Submission and Payday Schedule
 - Notice of availability of direct deposit and form, if applicable
 - Self-addressed stamped envelope
2. Describe the F/EA's **system of written policies and procedures** for producing and distributing Service Worker Employment Packets.
3. Describe the F/EA's **internal controls documented and in place** documentation to monitor the production and distribution of Service Worker Employment Packets.
4. Describe the F/EA's **system of written policies and procedures** for collecting, reviewing and processing the information contained in the Service Worker Employment Packets.
5. Describe the F/EA's **internal controls documented and in place** to monitor the collection, review and processing of information from the Service Worker Provider Employment Packets.

XIII. Payroll and Invoice Payment-Related Tasks (Including End-of-Year Activities)

A. Invoice Payment

1. Describe the F/EA's established system of **written policies and procedures and internal controls documented and in place** for processing invoices including:
 - Obtaining participant's purchase of service funds from the regional center as an advance, if applicable, and after services have been rendered.
 - Electronic transfers of claims to the regional center must be submitted according to the regional center specification and within the timeframes specified by the regional center for participant's payroll and invoice payment expenses.

- Obtaining payment for F/EA services rendered by submitting claims to the regional center according to the regional center specification and within the timeframes specified by the regional center.
- Disbursing funds and tracking them in aggregate by participant.
- Processing and paying vendor invoices for approved goods and services rendered by nontraditional service workers and maintaining documentation on file.
- Processing requests for and the disbursement of cash payments to participants for up to 10 percent of their budget on a monthly basis.

B. Payroll

1. Describe the F/EA's system of **written policies and procedures and internal controls documented and in place** for processing payrolls, including but not limited to:

- Verifying service workers' social security numbers.
- Collecting, reviewing for completeness and maintaining a copy of the service worker's Form W-4 and maintaining documentation in service workers' files.
- Collecting, reviewing for completeness and maintaining a copy of the service worker's EDD Form W-4, when appropriate.
- Determining if the service worker is a family member who is exempt from paying into FICA and/or FUTA and SUTA (i.e., spouse or parent of minor child who is the participant-employer);
- Verifying service workers' hourly wages for regular and overtime are in compliance with federal and state wage and hour rules for domestic service workers.
- Collecting, reviewing and verifying the accuracy of hours on the timesheet with the participant and then processing the service workers' timesheets and file copies in the service workers' files.
- Computing, withholding, filing, and tracking federal income taxes for participant's quarterly in the aggregate using the F/EA's separate FEIN and using the IRS Form 941, *Employer's Quarterly Federal Tax Report* and maintaining copies of documentation in F/EA's files.
- Depositing federal income tax withholding in the aggregate using the F/EA's separate FEIN (IRS Form 8109, *Federal Tax Deposit Coupon* or electronic depositing) and in accordance with IRS depositing rules and maintaining copies of documentation in F/EA's files.
- Computing, withholding, and filing Social Security and Medicare taxes (FICA) quarterly, in the aggregate using the F/EA's separate FEIN, using the IRS Form 941, *Employer's Quarterly Federal Tax Report* and maintaining copies of documentation in F/EA files.
- Depositing FICA in the aggregate (IRS Form 8109, *Federal Tax Deposit Coupon* or electronic depositing) using the F/EA's separate FEIN per IRS depositing rules and maintaining copies of documentation in F/EA's files.
- Computing, withholding, filing FUTA annually in the aggregate using the F/EA's separate FEIN and the IRS Form 940 and maintaining copies of documentation in the F/EA's files.
- Depositing FUTA in the aggregate (IRS Form 8109, *Federal Tax Deposit Coupon* or electronic depositing) using the F/EA's separate FEIN in accordance with IRS depositing rules and maintaining copies of documentation in the F/EA's files.
- Processing all judgments, garnishments, tax levies or other related hold on service workers' pay as may be required by federal or state governments and maintaining copies of documentation in service workers' files.
- Generating and disbursing payroll checks to all participants' service workers within the time period required by EDD.
- Processing direct deposits of service workers' payroll as requested and maintaining copies of documentation in the service workers' files.

- Preparing, filing and distributing IRS Forms W-2, Wage and Tax Statement and IRS Forms W-3, Transmittal of Wage and Tax Statement (of IRS Forms W-2 filed via paper) in accordance with IRS instructions for agents¹⁰.

C. Other Employment Activities

1. Describe the F/EA's system of **written policies and procedures and internal controls documented and in place** for other pre and post employment activities, including but not limited to:

- Reporting participants' new hires through the California New Hires program.
- Performing or arranging criminal background checks for service workers when requested by the participant and maintaining documentation in service workers' files.
- Verifying that a Medi-Cal Provider Agreement has been signed by each service worker and vendor and maintaining a copy of the agreement in service workers' files.
- Collecting, reviewing for completeness and maintaining a copy of the service worker's USCIS Form I-9 in the service workers' files.
- Processing and paying worker's compensation insurance premiums for participant-employers.
- Managing the receipt and renewal workers' compensation insurance policies for participants and providing wage information to insurer(s) to determine service workers' benefits, when applicable.
- Processing wage information requests from federal and state agencies and other qualified entities.
- Developing and producing timesheets and instructions for service workers.
- Processing and tracking federal advanced Earned Income Credit (EIC) for applicable service workers and maintain copies of documentation in service workers' files, when applicable.
- Collecting and reviewing for completeness IRS Forms W-5, when applicable, and maintaining a copy of documentation in service workers' files.
- Submitting any unclaimed funds for all entities (i.e., workers or vendors) to the State Controller's Office of Unclaimed Property in accordance with the California Unclaimed Property Law and Regulations and maintaining the documentation on the file.
- Processing and refunding (employer-portion) over collected FICA to the state in accordance with the December 18, 2000 IRS letter and maintaining applicable documentation in F/EA'S files and maintaining copies of documentation (including cancelled checks) in participants' files.
- Processing and refunding (employee portion) of over collected FICA to applicable service workers in accordance with the December 18, 2000, IRS letter and maintaining copies documentation in service workers' files.

D. Independent Contractors

1. Describe the F/EA's system of **written policies and procedures and internal controls documented and in place** for payment of independent contractors, including but not limited to:

- Verifying service worker employment status when he/she claims he/she is an independent contractor (filing of Form SS-8, *Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding* and receipt of an IRS ruling that the worker is an independent contractor) and maintaining copies of documentation in independent contractors' files.

¹⁰ Forms W-2 must be filed electronically if 250 or more W-2's are filed by an F/EA.

- Obtaining and IRS Form W-9, *Request for Taxpayer Identification Number and Certification* from legitimate independent contractors and maintaining copies in independent contractors' files.
- Processing and paying qualified independent contractors for approved services rendered and maintaining documentation on file.
- Processing and maintaining copies of completed and filed IRS Forms 1099-Misc, *Miscellaneous Income* to independent contractors who earn more than \$600 in a calendar year and maintaining copies of documentation in independent contractors' files.

E. Describe the F/EA's **system of written policies and procedures and internal controls documented** in place for establishing and maintaining participants', service workers', goods and services and F/EA files. The minimum contents for each type of file are shown below.

1. Participant File

- Participant's name
- Participant's address
- Participant's phone number
- Participant's UCI Number
- Participant's emergency contact person
- Signed participant statement about understanding orientation material, roles and responsibilities, and agreement to abide by participant responsibilities in the SDS program
- Participant's IB and all updates (related to what the F/EA is authorized to pay)
- Participant's IPP and all updates
- Representative information and relationship to the participant
- Copy of participants' Form SS-4 and federal employer identification number (FEIN)
- Copy of completed and signed Form 2678, *Employer Appointment of Agent*, Request for Approval to be the Agent Letter and IRS Notice of Approval
- Copy of letter retiring participant's FEIN, when applicable
- Copy (as applicable) of IRS Form 2678 revocation letter, revoked IRS Form 2678, and any related correspondence from the IRS
- Copy of completed and signed IRS Form 8821, *Tax Information Authorization*
- Copy of IRS Form 8821 renewal (as applicable) and any related correspondence from the IRS, when applicable
- Copy of IRS Form 8821 revocation (as applicable) and any related correspondence with the IRS, when applicable
- Copy of the executed BOE-392 *Power of Attorney Declaration*
- Copies of renewed BOE-392 *Power of Attorney Declaration*, as applicable
- Copy of documentation revoking the BOE-392 *Power of Attorney Declaration*, when applicable
- Copies of EDD Form DE-6, *Quarterly Wage and Withholding Report*.
- Copies of EDD Form DE-7, *Annual Reconciliation of Statement*
- Copies of EDD Form DE 88, *Payroll Tax Deposit*
- Copies of EDD Form DE 3BHW, *Employer of Household Service Worker(s) Quarterly Report of Wages and Withholding*
- Copies of EDD Form DE 3HW, *Employer of Household Service Worker(s) Annual Payroll Tax Return*
- Copies of documentation of all payments of state income tax withholding
- Copies of the Form DE 678, *Tax and Wage Adjustment Form to make changes to the DE-6, DE-7, DE-3HW, DE 3BHW and DE 88*

- Copies of all participant-specific state unemployment insurance benefits payments
- Copies of documentation of all payments of state unemployment insurance tax
- Copies of documentation related to any FICA refund (employer portion) processed and returned to the regional center
- Copies of workers' compensation insurance policies, premium invoices and documentation of payment, as applicable
- Copies of the IRS Form W-3, if IRS Forms W-2 are filed in paper rather than electronically
- Documentation summarizing invoices received and payments made to vendors for approved goods and services and independent contractors, as applicable

2. Service Worker File

- Service worker employment application
- Copy of executed Medi-Cal Provider Agreement
- Service agreement executed between the participant/representative and the service worker
- Service workers' name, address, social security number (and verification), FEIN (as applicable) and occupation of service workers
- Documentation verifying service worker's social security number
- Dates of employment for each service worker
- Copies of service workers' criminal background check form and results
- Determination of service workers' state of residence
- Determination that the service worker is a paid family member who is exempt from paying into FICA and/or FUTA per IRS Publication 15 and SUTA
- Copy of the completed US CIS Form I-9
- Copy of IRS Forms W-4, *Employee's Withholding Allowance*
- Copy of the EDD form DE 4 *Employee's Withholding Allowance Certificate* (when exemptions reported are different from those reported on the IRS W-4)
- Copy of IRS Forms W-5, *Earned Income Credit Advance Payment* (as applicable)
- Copies of filing and payment of out-of-state income tax withholding, when applicable
- Copy of service workers' time sheets
- Copy of completed California New Hire Reporting documentation
- Copies of documentation regarding any judgments, garnishments and tax levies or any related holds on the service worker's pay as may be required by federal or state government
- Copies of service workers' IRS Forms W-2 and W-2(c), as applicable
- Documentation regarding any FICA refunds processed (employee portion) and copies of cancelled refund checks
- Documentation of requests for verification of service workers' wages requested by federal and state agencies, as applicable
- Documentation of any workers' compensation insurance claims filed by service worker
- Documentation of submission of service workers returned/not cancelled payroll checks, FICA refund checks or any other payments due to the State Controller's Office related to California Unclaimed Property Law
- Documentation related to direct deposit option, as applicable
- Service worker Termination Form

3. Goods and Services and Independent Contractors' Files

- Invoices from and payments made to vendors for approved goods and services rendered

- Invoices from and payments made to independent contractors for approved services rendered
- Copy of potential independent contractor's completed Form SS-8, Determination of Service worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding and IRS worker employment status ruling letter, as applicable
- Copy of independent contractor's IRS Forms W-9, *Request for Taxpayer Identification Number and Certification*
- Copies of the IRS Form 1099-M, *Miscellaneous Income*, when an independent contractor is paid \$600 or more in a calendar year

4. F/EA File

- Copy of Medi-Cal provider agreement with the California Medicaid Division
- Copy of documentation that the vendor is registered with the California Secretary of State and other related documentation
- Documentation regarding the IRS Form SS-4 to receive the F/EA's separate FEIN, FEIN Notification from the IRS and the retirement of the F/EA's separate FEIN, when/if applicable
- Aggregate filings of IRS Forms 941 (FICA [social security and Medicare] and federal income tax withholding) with individual withholding and FICA filing back-up for each participant/service worker
- Aggregate payments of FICA and federal income tax withholding and the individual payment back-up for each participant/service worker
- Documentation of the receipt of aggregate FICA refunds and documentation on the individual-level related to FICA refunds (employers and employees)
- Aggregate filings of IRS Forms 940 (FUTA) and the individual FUTA filing back-up for each participant
- Aggregate payment of FUTA and the individual payment back-up for each participant
- All communications with federal and state tax, labor and worker's compensation insurance, and the regional center, as applicable
- Other documentation, as applicable

ADDENDUM 1

[illegible]

| Department of Developmental Services Self-Directed Services Fiscal/Employer Agent Checklist of Required Application Documents | | |
|---|--|--|
| Required Documents | Detail | Included |
| | information available to identify the engagement; if not, so state; 8. Applicant's state and federal identification numbers; 9. Documentation of FEIN to file IRS forms on behalf of participants; and, 10. A listing of any litigation that may affect the performance of F/EA functions, if none so state. | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| Registration with California Secretary of State | Provide documentation that the F/EA provider is registered with the California Secretary of State to do business in California (if you are a sole proprietorship you must provide an endorsed copy of your business license showing proof that you are licensed and in good standing with the county or city in which you are doing business). | <input type="checkbox"/> |
| Certificates of Insurance | Certificates of Insurance fully executed by officers of the Insurance Company indicating the amount and term of the coverage for: 1. Commercial General Liability Insurance; 2. Insurance covering special hazards; and, 3. Worker's compensation insurance for all employees employed at the California F/EA project site(s). If this insurance has not been obtained, so state and certify that such insurance will be in place at the start of operations in California. | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| Fiduciary Bond and/or Performance Bond | Submit a copy of the fiduciary bond and/or performance bond showing the term of the bond and the amount. If, the Applicant does not currently have fiduciary or performance bonds, so state and certify that such bonds will be in place in the amount determined by the State or regional center before operations begin. | <input type="checkbox"/> |
| Medi-Cal Provider Agreement Listing | 1. A listing of all current Medicaid Provider Agreements with other states; 2. A listing of all former Medicaid Provider Agreements with other states including contract dates and reasons for termination; 3. A listing of the names, addresses, phone numbers and email addresses for state contacts for current and former Agreements; and, 4. A listing of any litigation that arose while the Applicant was under a Medicaid Provider Agreement where the Applicant was a party to the litigation. | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| Corporate Financial Condition | Applicants should demonstrate adequate financial resources for performance of the F/EA tasks as evidenced through submission of the latest three (3) years financial statements, preferably audited, including a balance sheet and profit and loss statement, or other appropriate documentation of financial resources. | <input type="checkbox"/> |
| Rate | 1. Rate for provision of service, and 2. The F/EA's fiscal and program-related documentation relied upon as the basis for establishing the rate of payment. | <input type="checkbox"/> <input type="checkbox"/> |
| Description of Physical Plant, Equipment, Technology | 1. A description of the physical plant, equipment, technological and development, system implementation and maintenance; 2. Description of the automated system for submitting claims to the Regional Center for reimbursement of IB funds expended | <input type="checkbox"/> <input type="checkbox"/> |

| Department of Developmental Services Self-Directed Services Fiscal/Employer Agent Checklist of Required Application Documents | | |
|---|--|--|
| Required Documents | Detail | Included |
| | for participants and for F/EA services; 3. Description of the system for accepting electronic payments from the regional center; 4. Description of the automated payroll system; 5. Description of system to track tax deposits on behalf of participants; 6. Description of system to track Medi-Cal funds; and, 7. Description of organization's website including the capability of participants to download timesheets and other forms. | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| Disaster Recovery Plan | Plan and documentation that it has been tested within the last 12 months. | <input type="checkbox"/> |
| Detailed Organization Chart for F/EA Function | The organization chart for the F/EA function should identify individuals and their job titles, lines of supervision, major job duties and an indication of full or part time participation. | <input type="checkbox"/> |
| Personnel Qualifications and Conflict of Interest | 1. List key F/EA management staff in place with title and whether they are full or part time; 2. Provide job descriptions of all F/EA management staff positions and resumés of existing management staff who will be working on the F/EA function for the SDS Program; 3. List key F/EA staff currently in place with title and whether they are full or part time; 4. Provide job descriptions and resumés of existing staff who will be working on the F/EA function for the SDS Program; 5. Provide a summary of existing and anticipated staff resources for providing F/EA services in California. The summary should include job titles, indicate vacancies, and show the percentage of time or hours the position will be assigned to the California operation; and, 6. Verify that management staff and other staff do not have conflicts of interest. | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| California-Specific F/EA Policies and Procedures Manual | 1. California-specific F/EA Policies and Procedures Manual, and 2. If used to satisfy various submission requirements, include a cross reference of each requirement and related page and section of the Manual. | <input type="checkbox"/> <input type="checkbox"/> |
| Quality Assurance Program | 1. Copy of the implemented F/EA QA Program; 2. Explain how the organization stays current with federal/state rules/regulations on F/EA activities and Household Employers/Employees; and, 3. Copy of latest participant satisfaction survey. If there is not one, so state. | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| Coordination with Regional | Describe the role of the F/EA in coordinating with the Regional Center. | <input type="checkbox"/> |
| Participant Enrollment | 1. Copy of California-specific Participant Enrollment Packet; 2. Description of how packets are distributed and/or made available to participants; 3. Copy of California-specific participant service agreement; 4. Example of IRS FEIN authorization documentation; and, 5. Training agenda, curricula and schedule for providing standard and individualized training to participants and representatives on employer responsibilities, the role of the F/EA, etc. | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |

| Department of Developmental Services Self-Directed Services Fiscal/Employer Agent Checklist of Required Application Documents | | |
|---|---|--|
| Required Documents | Detail | Included |
| Service Worker Employment Packet and Criminal Background Clearances | 1. Copy of Service Worker Employment Packet, and 2. Example of completed release form for processing criminal background clearances and obtaining clearances on prospective employees. | <input type="checkbox"/> <input type="checkbox"/> |
| Customer Service | 1. Describe the customer service system, and 2. Where is the customer service system located? Will the location change if the organization provides services in California? | <input type="checkbox"/> <input type="checkbox"/> |
| HIPPA Compliant Record Maintenance | Description of the system for developing and maintaining F/EA participant, service worker, and vendor records and files (both current and archived) that is HIPPA compliant. | <input type="checkbox"/> |

ADDENDUM 2

CRITERIA FOR EVALUATION

The following "Evaluation Criteria" contains a brief description of the standards and qualifications set forth in this RFQ. These standards and qualifications must be met in order to be certified. To read a more detailed description of the standard and qualifications please refer to the RFQ. The "Evaluation Criteria" follows the sequence of the RFQ. Evaluations will be conducted by an Application Review Committee.

Applications will be scored as either satisfactory (S) or unsatisfactory (U). A satisfactory score is one which meets or exceeds the requirements stated in this RFQ. An unsatisfactory score will be given to proposals that contain false, misleading or vague statements, or which provide references which do not support an attribute or condition claimed by the applicant.

1. All applications will be evaluated in a comprehensive, fair and impartial manner;
2. Applications that do not contain all of the required documents and/or did not conform to the submission date and time, and/or did not conform to other requirements set forth in RFQ will be rejected without further evaluation; and,
3. To receive an Affidavit of Certification, F/EA applicants must meet all criteria identified in the following scoring sheet.

| EVALUATION CRITERIA | | | |
|--|--|---|---|
| I. Checklist of Required Documents, Addendum 1 (page 11 and 33) | | S | U |
| 1 | All the information requested in Addendum 1 must be received by DDS in order to proceed with this evaluation. | | |
| II. Obtaining Federal and State Approval to be a Fiscal/Employer Agent (page 11) | | S | U |
| A | Internal Revenue Requirements | | |
| 1 | Written policies, procedures for obtaining a FEIN. | | |
| 2 | Written policies and procedures for retiring a participant's FEIN. | | |
| 3 | Internal controls documented and in place to monitor the FEIN process. | | |
| 4 | Written policies and procedures for preparing, submitting and maintaining copies of a signed IRS Form 2678. | | |
| 5 | Written policies and procedures for revoking IRS Form 2678. | | |
| 6 | Internal controls documented and in place to monitor the submission of the IRS Form 2678 and documents revoking the IRS Form 2678. | | |
| 7 | Written policies and procedures for filing a signed IRS Form 8821. | | |
| 8 | Written policies and procedures for renewing the IRS Form 8821. | | |
| 9 | Written policies and procedures for revoking the IRS Form 8821. | | |
| 10 | Internal controls documented and in place to monitor its process for obtaining, renewing and revoking IRS Form 8821. | | |
| B. | California Requirements | | |
| 1 | Provide proof that you are certified/licensed to do business in California. | | |
| 2 | Written policies and procedures for a proposed fee schedule. | | |
| 3 | Written policies and procedures for obtaining participants' IPP. | | |
| 4 | Internal controls documented and in place to monitor the receipt of participants' IPP. | | |
| 5 | System of written policies and procedures for processing the BOE-392, Power of Attorney. | | |
| 6 | System of written policies and procedures for revoking the BOE 392, Power of Attorney. | | |
| 7 | Internal controls documented and in place to monitor the receipt and revocation of the BOE-392. | | |
| 8 | System of written policies and procedures for filing the EDD Form DE-1, | | |

| EVALUATION CRITERIA | | | |
|---|---|----------|----------|
| | Registration Form for Commercial Employers. | | |
| 9 | System of written policies and procedures to monitor the retiring participants' state withholding account. | | |
| 10 | Internal controls documented and in place to monitor the receipt and retirement of the participants' state withholding account. | | |
| 11 | Written policies and procedures for filing the EDD Form DE 1HW, Registration Form for Employers of Household Service Workers. | | |
| 12 | Written policies and procedures for retiring participants' unemployment tax account numbers. | | |
| 13 | Internal controls documented and in place to monitor the receipt and retirement of participants' unemployment tax account numbers. | | |
| | Additional Criteria – Do the customer references support an attribute or condition claimed by the applicant? | | |
| C | Medi-Cal Requirements | | |
| 1 | Medi-Cal Provider Agreement in other states (current). | | |
| 2 | Medi-Cal Provider Agreement in other states (previous). | | |
| 3 | Reasons for termination of the Medi-Cal Provider Agreements. | | |
| 4 | In good standing with the states they currently provide F/EA services? | | |
| 5 | A list of judgments that were rendered administratively or by the courts. | | |
| 6 | Written policies and procedures for ensuring that all service workers have an executed Med-Cal Provider Agreement on file. | | |
| 7 | Internal controls documented and in place for ensuring that all service workers have an executed Med-Cal Provider Agreement on file. | | |
| 8 | Written policies and procedures for obtaining participants' UCI Number. | | |
| 9 | Internal controls documented and in place to monitor the receipt of the participants' UCI number. | | |
| D | Conflict of interest | | |
| 1 | Certified that personnel are free of any conflict of interest. | | |
| 2 | Certified that personnel are not employees or board members of certain entities if they receive services from those entities. | | |
| 3 | Certified that the applicant is requesting to become one type of FMS provider. | | |
| 4 | Policies and procedures and internal controls to ensure that the participant has been given the opportunity to select any qualified service worker. | | |
| III. Rate for F/EA Services (page 14) | | S | U |
| A | Rate Submission | | |
| 1 | The F/EA rates shall be based on the models listed resulting in cost-effective POS. | | |
| 2 | Rates may reflect any combination of the items listed. | | |
| 3 | Cost must be reasonable as compared to costs of other similar services provided in California. | | |
| B | The F/EA describes its knowledge of requirements and plans to maintain financial records and documents. | | |
| | Additional criteria – Does the application describe the implementation of a local office in California? | | |
| IV. Status of Physical Plant, Equipment, Technology and Development, Implementation and Maintenance of Systems (page 15) | | S | U |
| A | FMS Provider Access to On-Line Systems for Budgets and Billing. | | |
| 1 | Does the F/EA have a personal computer (PC) with access to the internet? | | |
| B | F/EA's organization's physical plant location, size, and equipment. | | |
| 1 | Describe the Technologies and accommodations in place. | | |
| 2 | Policies and procedures for maintaining a current operational computer database. | | |
| 3 | Internal controls documented and in place to monitor the maintenance of a current operational database. | | |
| 4 | Procedures and internal controls documented and in place for addressing systems capabilities. | | |

| EVALUATION CRITERIA | | | |
|--|---|----------|----------|
| 5 | Describe the F/EA's disaster recovery plan. | | |
| V. Staffing (page 17) | | S | U |
| 1 | Does the Executive Director of the F/EA or its designee serving in like capacity or any of the proposed staff have any experience in providing bill paying services and activities that facilitate employment of service workers' including tax withholding payments and benefits | | |
| 2 | Has the Executive Director of the F/EA or other person serving in like capacity received a criminal history background clearance? | | |
| VI. Coordination and Communication Between the F/EA and the Regional Center (page 17) | | S | U |
| 1 | Written policies and procedures for coordinating its activities and communicating with regional centers. | | |
| 2 | Written policies and procedures of regional center role and responsibilities. | | |
| 3 | Internal controls documented and in place to monitor the effectiveness of its coordination and communication with regional centers. | | |
| 4 | Written policies and procedures providing and receiving information electronically from the regional centers. | | |
| 5 | Internal controls documented and in place to monitor the effectiveness of providing and receiving information electronically from the regional center. | | |
| VII. Administration: Preparing and Maintaining an Automated, Comprehensive F/EA Policies and Procedures Manual and Staying Up-to-Date with Federal/State Rules/Regulations Pertaining to F/EA's and Household Employers and Employees (page 18) | | S | U |
| A | Preparing and Maintaining an Automated, Comprehensive F/EA Policies and Procedures Manual | | |
| 1 | Provide a copy of the automated and comprehensive California-specific Policies and Procedures Manual. | | |
| 2 | Written policies and procedures for updating the Policies and Procedures Manual. | | |
| 3 | Internal controls documented and in place for updating the Policies and Procedures Manual. | | |
| B | Staying Up-to Date with Federal/State Rules/Regulations Pertaining to F/EAs and Household Employers and Employees | | |
| 1 | Written policies and procedures for staying up-to-date will all IRS forms, instructions, notices, publications and rules. | | |
| 2 | Internal Controls documented and in place to monitor the up-dating of all IRS forms and instructions, notices, publications and rules related to the F/EA function. | | |
| 3 | Written policies and procedures for reviewing and updating all applicable U.S. Citizenship and Immigration Services rules. | | |
| 4 | Internal controls documented and in place to monitor the updating of all applicable U.S. Citizenship and Immigration Service rules. | | |
| 5 | Written policies and procedures for reviewing and updating all applicable federal Department of Labor rules, forms and instructions for household employers and domestic service employees. | | |
| 6 | Internal Controls documented and in place for reviewing and updating all applicable federal Department of Labor rules, forms and instructions for household employers and domestic service employees. | | |
| 7 | Written policies and procedures for reviewing and updating all applicable EDD rules, forms and instructions for household employers and domestic service employees (wage and hour rules). | | |
| 8 | Internal Controls documented and in place for reviewing and updating all applicable EDD rules, forms and instructions for household employers and domestic service employees (wage and hour rules). | | |

| EVALUATION CRITERIA | | | |
|--|--|----------|----------|
| 9 | Written policies and procedures for reviewing and updating all EDD rules, forms and instructions for registering and retiring participants as employers etc. | | |
| 10 | Internal Controls documented and in place for reviewing and updating all EDD rules, forms and instructions for registering and retiring participants as employers etc. | | |
| 11 | Written policies and procedures for staying up-to-date with EDD's New Employee Registry requirements. | | |
| 12 | Internal Controls documented and in place for staying up-to-date with EDD's New Employee Registry requirements. | | |
| 13 | Written policies and procedures for reviewing and updating California DIR, Division of Worker's Compensation, and rules (related to household employers). | | |
| 14 | Internal Controls documented and in place for reviewing and updating California DIR, Division of Worker's Compensation, and rules (related to household employers). | | |
| 15 | Written policies and procedures for reviewing and updating California's Unclaimed Property Law and Procedures. | | |
| 16 | Internal Controls documented and in place for reviewing and updating California's Unclaimed Property Law and Procedures. | | |
| VIII. Receipt, Disbursement and Tracking of Funds (page 20) | | S | U |
| 1 | Written policies and procedures for receiving and maintaining the participants initial and updated IPP and IB. | | |
| 2 | Internal Controls documented and in place for receiving and maintain the participants initial and updated IPP and IB. | | |
| 3 | Does the F/EA agree to enroll with the State Medicaid Agency as a Medi-Cal provider? | | |
| 4 | Written policies and procedures for billing the regional center. | | |
| 5 | Written policies and procedures receiving, disbursing, tracking and reporting funds. | | |
| 6 | Internal Controls documented and in place for receiving, disbursing, tracking and reporting funds. | | |
| 7 | Written policies and procedures and internal controls for interfacing with the regional center computer system. | | |
| IX. Administration – Record Management Process (page 20) | | S | U |
| 1 | Written policies and procedures for establishing and maintaining files meeting regional center, HIPPA requirements and all other state and federal laws. | | |
| 2 | Internal Controls documented and in place for establishing and maintaining files meeting regional center, HIPPA requirements and all other state and federal laws. | | |
| 3 | Written policies and procedures for establishing and maintaining archived files in a secure and confidential manner per HIPPA, SAM and other state and federal laws. | | |
| 4 | Internal Controls documented and in place for establishing and maintaining archived files in a secure and confidential manner per HIPPA, SAM and other state and federal laws. | | |
| 5 | Written policies and procedures for ensuring that access to participant's confidential information is limited and meets HIPPA and SAM requirements. | | |
| 6 | Internal Controls documented and in place for ensuring that access to participant's confidential information is limited and meets HIPPA and SAM requirements. | | |
| 7 | Written policies and procedures for allowing access to Medi-Cal information. | | |
| 8 | Internal Controls documented and in place for allowing access to Medi-Cal information. | | |
| 9 | Written policies and procedures for obtaining written consent before releasing information. | | |

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| 10 | Written policies and procedures and internal controls documented and in place for making records available immediately to the regional center and DDS. | | |
| 11 | Written policies and procedures and internal controls for providing coping and invoicing of documents when requested through FOIA. | | |
| X. Administration – Preparing and Submitting Required Reports to the Regional Centers and Participants (page 22) | | S | U |
| 1 | Written policies and procedures for completing and distributing required reports. | | |
| 2 | Internal Controls documented and in place for completing and distributing required reports. | | |
| 3 | Written policies and procedures for providing financial and program information and transmitting other data. | | |
| 4 | Internal Controls documented and in place for providing financial and program information and transmitting other data. | | |
| 5 | Written policies and procedures for submitting claims for payment for services. | | |
| 6 | Internal controls documented and in place for submitting claims. | | |
| XI. Customer Service System (page 23) | | S | U |
| A | Grievance and Reporting System | | |
| 1 | A toll-free number with voice message capacity, or a plan for this provision. | | |
| 2 | Location address of the customer service system, or a plan for establishing business in California. | | |
| 3 | Administrative phone number or a plan for this provision. | | |
| 4 | Written policies and procedures for returning call within 24 hours. | | |
| 5 | Written policies and procedures for implementing and maintaining a system for calls making note of any resolution that occurs. | | |
| 6 | Written policies and procedures for acting as a mandatory reporter. | | |
| 7 | Written policies and procedures for developing and implementing corrective actions. | | |
| 8 | Internal controls documented and in place for monitoring its communication and grievance receipt, response, tracking and reporting. | | |
| B | Notification | | |
| 1 | Written policies and procedures for notification when a payroll is processed late. | | |
| 2 | Internal controls documented and in place for notification when a payroll is processed late. | | |
| 3 | Written policies and procedures for notification when intentional incorrect reporting, financial fraud, abuse or the participants inability to perform tasks. | | |
| 4 | Internal controls documented and in place for notification when the F/EA has been made aware of intentional incorrect reporting, financial fraud, abuse or the participants inability to perform tasks. | | |
| C | Communication | | |
| 1 | Written policies and procedures for receiving information from the regional center regarding participants who enroll and disenroll in SDS. | | |
| 2 | Internal controls documented and in place for receiving information from the regional center regarding participants who enroll and disenroll in SDS. | | |
| 3 | Written policies and procedures for communicating effectively with participants. | | |
| 4 | Internal controls documented and in place for communicating effectively with participants. | | |
| D | Principles of Self-Direction | | |
| 1 | Written policies and procedures related to effectively executing the principles of self-direction. | | |
| 2 | Internal controls documented and in place related to effectively executing the principles of self-direction. | | |
| E | Cultural Sensitivity | | |
| 1 | Written policies and procedures related to staff and service workers being culturally sensitive. | | |

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| 2 | Internal controls documented and in place related to being culturally sensitive. | | |
| 3 | Written policies and procedures and internal controls to ensure the participant has the opportunity to select only qualified service workers. | | |
| F | Training | | |
| 1 | Development and maintenance of orientation and skills training. | | |
| 2 | Provision of orientation and skills training. | | |
| 3 | Description of customer service and financial services training curricula. | | |
| 4 | Internal controls documented and in place to ensure customer service and financial services staff are trained effectively. | | |
| G | Satisfaction | | |
| 1 | Written policies and procedures for surveying participant feedback, experience and satisfaction with the receipt of F/EA services. | | |
| 2 | Internal controls documented and in place for surveying participant feedback, experience and satisfaction with F/EA services. | | |
| XII. Producing and Disbursing Participants' Enrollment and Service Workers' Employment Packets (page 25) | | S | U |
| A | Participant enrollment packet | | |
| 1 | Describe the F/EA's participant Enrollment and Service Agreement Packet (it must contain at a minimum the information listed in the RFQ). | | |
| 2 | Written policies and procedures for producing and distributing the Participant Service Agreement Packet. | | |
| 3 | Internal controls documented and in place for producing and distributing the Participant Service Agreement Packet. | | |
| 4 | Written policies and procedures for collecting, reviewing and processing the information in the Participant Service Agreement Packet. | | |
| 5 | Internal controls documented and in place for collecting, reviewing and processing the information in the Participant Service Agreement Packet. | | |
| B | Service Worker Employment Packet | | |
| 1 | Describe the Service Worker Employment Packet (it must contain at a minimum the information listed in the RFQ). | | |
| 2 | Written policies and procedures for producing and distributing the Service Worker Employment Packets. | | |
| 3 | Internal controls documented and in place for producing and distributing the Service Worker Employment Packets. | | |
| 4 | Written policies and procedures for collecting, reviewing and processing information from the Service Worker Employment Packet. | | |
| 5 | Internal controls documented and in place to monitor the collecting, reviewing and processing of information from the Service Worker Employment Packet. | | |
| XIII. Payroll and Invoice Payment-Related Tasks (including End-of-Year Activities) (page 27) | | S | U |
| A | Invoice Payment | | |
| 1 | Written policies and procedures and internal controls documented and in place for processing invoices. | | |
| B | Payroll | | |
| 1 | Written policies and procedures and internal controls documented and in place for processing payroll. | | |
| C | Other Employment Activities | | |
| 1 | Written policies and procedures and internal controls documented and in place for other pre and post employment activities. | | |
| D | Independent Contractors | | |
| 1 | Written policies and procedures and internal controls documented and in place for payment of independent contractors'. | | |
| E | Describe the F/EA's system of written policies and procedures and internal controls documented in place for establishing and maintaining participants', service workers', Goods and Services and Independent Contractor's Files and F/EA files. | | |
| 1 | Participant File – The information listed in the RFQ shall be included in the | | |

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| | participants file, <i>at a minimum</i> . | | |
| 2 | Service Worker File - The information listed in the RFQ shall be included in the service workers file, <i>at a minimum</i> . | | |
| 3 | Goods and Services and Independent Contractors' File - The information listed in the RFQ shall be included in the Goods and Services and Independent Contractors' file, <i>at a minimum</i> . | | |
| 4 | F/EA File - The information listed in the RFQ shall be included in the F/EAs, <i>at a minimum</i> . | | |